***Press* Release**

The Meteorological Office

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MET. OFFICE CREATES SEPARATE COMMERCIAL DIVISION

New Met. Office division created to handle sector specific weather services

The Met. Office today announced that it is creating a Commercial Division supplying tailored weather services to specific industry and leisure sectors. The new division will operate as a separate financial entity and will give The Met. Office greater freedom to pursue new business opportunities in the UK and abroad.

The Met. Office's commercial business has grown significantly in recent years. It now works with more than 50 FTSE 100 companies and provides tailored services to a range of sectors including insurance, retail and the media. Recent contracts include the provision of advice on climate change to Severn Trent Water and forecasting and modelling advice for TransCo, Britain's gas suppliers.

In 1998/99, the office's services to commerce and industry are expected to make an operating profit of over £1 million. Future profits will continue to be reinvested with a view to enhancing the services provided by The Met. Office as a whole, and reducing overall costs to the taxpayer.

The new division has been created with the approval of The Met. Office's owner Department, and aims to exploit commercial opportunities identified in its Framework Document. The Commercial Division will nevertheless remain within the public sector.

Alan Douglas, newly appointed Managing Director of The Met. Office Commercial Division said, "Whilst remaining an integral part of The Met. Office, we will now have greater commercial freedom to provide services both in the UK and internationally.

"This puts us even more firmly on a level playing field with other weather service providers. It also sets us the challenge of building further on The Met. Office Commercial Division's responsiveness and the services we provide our customers."

The creation of a Commercial Division as a separate financial entity will bring considerable benefits to both The Met. Office as a whole, and the public at large. Internal Met. Office services will have to remain competitive in order to continue as the supplier of choice for the Commercial Division, ensuring that The Met. Office continues to excel in weather forecasting and related service provision. The tremendous growth potential for the new Commercial Division will benefit the public, as profits gained by the Division are reinvested in The Met. Office's infrastructure.

Notes:

- The Met. Office is a Government Executive Agency operating as a Trading Fund.
- Nearly all organisations are weather sensitive and The Met. Office develops tailored solutions for its clients.
- The Met. Office works with more than 50 FTSE 100 companies and provides services in more than 170 countries worldwide.
- The Commercial Division will remain under the same legal entity as The Met. Office.

For further information, please contact:

The Met. Office Press Office
01344 856655